DEPARTMENT OF JUSTICE

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

SASKATCHEWAN

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Victims' Fund as at March 31, 2003 and the statements of operations, change in net financial assets and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 10, 2003

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2003	2002
Financial assets:		
Due from General Revenue Fund (Statement 4 and Note 5)	$ 110,219	$ 388,020
Accounts receivable (Note 6)	807,453	696,371
Due from Public Trustee (Note 7)	2,400,347	3,100,516
Total financial assets	3,318,019	4,184,907
Liabilities:		
Accounts payable	124,249	207,999
Employee leave entitlement	15,299	13,278
Deferred revenue (Notes 2 and 8)	38,838	69,505
Total liabilities	178,386	290,782
Net financial assets (Statement 3)	3,139,633	3,894,125
Non-financial assets:		
Tangible capital assets	15,328	2,690
Accumulated surplus (Statement 2)	$ 3,154,961	$ 3,896,815

(See accompanying notes to the financial statements)

Statement 2

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	Budget 2003 (Note 9)	Actual 2003	2002
Revenue:			
Surcharge revenue	$ 3,075,000	$ 2,962,840	$ 2,800,829
Investment income (Note 7)	324,000	109,100	241,136
Proceeds of Crime revenue	-	52,128	21,112
Federal/Provincial Cost Sharing Agreement revenue	25,000	103,781	134,300
Other	5,000	5,841	20,418
Total revenue	3,429,000	3,233,690	3,217,795
Expense:			
Administration costs	456,600	462,494	430,412
Crisis intervention services	2,636,200	2,466,537	1,648,697
Court based programs	257,200	218,058	225,266
Compensation payments	400,000	301,666	385,527
Restitution program	135,000	134,101	132,014
Research, evaluation & prevention	186,200	233,368	188,620
Education and training	186,300	107,192	145,950
Proceeds of Crime	-	52,128	21,112
Total expense (Schedule 1)	4,257,500	3,975,544	3,177,598
(Deficit) surplus for the year	$ (828,500)	(741,854)	40,197
Accumulated surplus, beginning of year		3,896,815	3,856,618
Accumulated surplus, end of year		$ 3,154,961	$ 3,896,815

(See accompanying notes to the financial statements)

Statement 3

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2003	2002
Annual (deficit) surplus (Statement 2)	$ (741,854)	$ 40,197
Acquisition of tangible capital assets	(21,975)	(2,034)
Amortization of tangible capital assets	9,337	2,889
	(12,638)	855
(Decrease) increase in accumulated surplus	(754,492)	41,052
Net financial assets, beginning of year	3,894,125	3,853,073
Net financial assets, end of year	$ 3,139,633	$ 3,894,125

(See accompanying notes to the financial statements)

Statement 4

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2003	2002
Operating transactions		
Cash received from:		
Surcharge	$ 2,896,706	$2,724,789
Other	195,237	348,916
	3,091,943	3,073,705
Cash paid for:		
Salaries	659,918	642,619
Other	3,388,021	2,352,357
	4,047,939	2,994,976
Cash (used) provided by operating transactions	(955,996)	78,729
Capital transactions		
Cash used to acquire tangible capital assets	(21,975)	(2,034)
Cash applied to capital transactions	(21,975)	(2,034)
Investing transactions		
Cash provided by Public Trustee	700,170	265,960
Cash provided by investing transactions	700,170	265,960
(Decrease) increase in cash and cash equivalents	(277,801)	342,655
Due from General Revenue Fund, beginning of year	388,020	45,365
Due from General Revenue Fund, end of year	$ 110,219	$ 388,020

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2003

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Significant Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) Revenue

i) Surcharge Revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Proceeds of Crime Deferred Revenue

Proceeds of crime funding received from the Federal Government is recognized as revenue in the year the related expenses are incurred.

b) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

c) Tangible Capital Assets

Tangible capital assets that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over three years.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, due from Public Trustee, accounts receivable, accounts payable and employee leave entitlement. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing. Due to the short-term nature of these, interest rate risk is minimal.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or investment income and principal.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines which will be collected, based on past experience.

The Fund's investments held by the Public Trustee consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Public Trustee limits the credit risk by investing in securities considered to be high quality.

c) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The fair value of amounts held by the Public Trustee at March 31, 2003 approximates carrying value.

4. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

The Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements.

5. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty day borrowing rate for 2002/03 is 2.62% (2001/02 – 3.7%). Interest earned for the year was $9,270 (2002 - $7,906).

6. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals and miscellaneous receivables. The balance at March 31 consists of:

	2003	2002
Surcharge receivable	$ 713,717	$ 647,581
Federal/Provincial cost sharing agreement receivable	91,882	47,472
Other accounts receivable	1,854	1,318
Total accounts receivable	$ 807,453	$ 696,371

7. Due from Public Trustee

The Fund invests a portion of its surplus funds with the Public Trustee for Saskatchewan. The Public Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by Public Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Fair value approximates the carrying value of investments.

8. Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000 the Province entered into an agreement with the Federal Government that specifies the proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement. Treasury Board approved the deposit of the proceeds of crime into the Fund.

	2003	2002
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ -	$ 33,379
Monies for public education and crime prevention	38,838	36,126
Total deferred revenue	$ 38,838	$ 69,505

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

10. Comparative Figures

Certain of the 2002 comparative figures have been reclassified to conform with the current year's presentation.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2003	2002
Expense:		
Community grants	$ 2,699,905	$ 1,837,317
Salaries	661,939	646,487
Proceeds of Crime	52,129	21,112
Contractual services	103,584	143,957
Compensation awards	301,666	385,527
Administration	136,808	124,429
Victim/witness rooms/softrooms	6,177	13,847
Systems expenses	3,999	2,033
Amortization	9,337	2,889
	$ 3,975,544	$ 3,177,598